GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4039
ANSWERED ON:18.08.2000
SUBSIDY ON DIFFERENT SECTORS
ASHOK NAMDEORAO MOHOL;JASWANT SINGH YADAV;MADHAVRAO SCINDIA;RAMSHETH THAKUR;RENUKA CHOWDHURY;SUSHIL KUMAR SAMBHAJIRAO SHINDE;VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister at the 60th meeting of Inter-State Council held recently while referring tothe severe financial crisis the country was passing through, made a strong plea to reduce the growing subsidies in power, transport and other service sectors;

(b) if so, the details thereof alongwith the decision taken at the Council meeting;

(c) the response received from the State Governments thereon;

(d) the existing subsidy of different sectors extended by different State Governments; and

(e) the extent to which the reduction of subsidy is likely to help the country to tide over the widening fiscal deficit?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) to (e) The Prime Ministerin his inaugural speech at the Sixth meeting of the Inter-State Council held on20th May, 2000 had made a mention about rationalisation of scale and structure of central subsidies. The growing subsidy burden wasne area which had to be tackled jointly and States were urged to act quickly in setting their finances in order. Some of the areas which required urgent attention include reform of power sector, transport and other services sectors, rationalisation of electricity tariffs, reduction in cross subsidy and improvement in the operational efficiencies in transmission and distribution, in the interest of the consumer. There was no response from the States on the issue of reduction in subsidies in power, transport and other services sectors and no specific decision was taken by the Inter-State Council in its Sixth meeting on the above issue.